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Chairman: Mr. Mapuranga ..... (Zimbabwe)
later: Mr. Dumitriu (Vice-Chairman) ..... (Romania)

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The meeting was called to order at 10.10 a.m.

Agenda Item 86: United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/52/13 and Add.1, A/52/311, A/52/372, A/52/415, A/52/423, A/52/503 and A/52/578)

1. **Mr. Hansen** (Commissioner-General, United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)) said that the Agency was responsible for 3.4 million Palestine refugees and that any factor that affected UNRWA, such as its continuing financial crisis, had a negative impact on refugees. That was understandable, since 75 per cent of the population of Gaza, 34 per cent of the population of the West Bank and 31 per cent of the population of Jordan were registered refugees.

2. The past year had been rewarding for UNRWA, since the transfer of the Agency's headquarters to the region had made the Agency more sensitive to the problems faced by refugees and brought it closer to the host countries there. It had also been a frustrating period because there were still obstacles to the movement of United Nations staff, communications left much to be desired and the infrastructure did not encourage family life for expatriates, which gave rise to staffing problems.

3. The most striking problem faced by Palestine refugees was the closures of the areas in which they lived, which had become a fact of life not only for the Palestinians but also for UNRWA. The unhealthy state of the local and informal economy in Gaza had become chronic. Unemployment rates had reached levels that would be unimaginable in most other parts of the world; small enterprises were being shut down because they could neither import nor export. In the West Bank, the internal closures had had a devastating effect on commercial life: Palestinians outside the major Palestinian towns were cut off from businesses and social services.

4. He recognized the security-related concerns cited by the Israeli authorities. No one could condone the suicide bombings of early 1996, nor those of July and September 1997. However, it was widely recognized that the collective nature of the measures imposed on the Palestinians could not possibly lead to either security or peace.

5. UNRWA faced many difficulties as a result of the measures imposed by the Israeli authorities and characterized by them as necessary on security grounds. The Agency's Palestinian staff were required to obtain permits for travel between the West Bank and Gaza or to enter Israel; the Agency's passenger vehicles and trucks were subjected to searches when exiting Gaza; and strict closures were imposed on the Gaza Strip and the West Bank. At the same time, permits for area staff were revoked and reissued only gradually and with new conditions attached to them. The Agency often had to send its Palestinian staff from Gaza to Jerusalem through Cairo, at considerable expense. In order to transport goods from its warehouse in Jerusalem to a clinic in the northern West Bank, an UNRWA truck often had to pass between five and ten checkpoints. Transport of Palestinian staff to the field office in Jerusalem remained a problem, since the number of permits issued by the Israeli authorities was far below that required.

6. Those and other restrictions were a significant obstacle to the efficient functioning of the Agency. They added to the Agency's costs and to its other substantial administrative burdens.

7. The Agency's relations with the Palestinian Authority continued to be very good. The Palestinian authorities made every effort to accommodate the Agency's needs. In spite of the Palestinian Authority's own budgetary crisis, which had largely been caused by closures, it strongly supported the Agency's fund-raising, which had led many donors to pledge additional funds to help UNRWA make it through 1997.

8. The same held true for Jordan, whose Government bore the brunt of providing services to the 1.4 million Palestine refugees on its soil. Jordan was both the largest host country and, in many respects, one of the largest donor countries in terms of the facilities, land and services that it made available to UNRWA.

9. The situation of Palestine refugees in Lebanon continued to be exceedingly difficult. In July 1997, UNRWA had had to launch an emergency appeal, which had yielded $9 million in confirmed pledges. However, that was only a temporary solution that had enabled the Agency to provide refugees with at least a minimum of hospital and other services.

10. The Agency's financial situation in the Syrian Arab Republic was such that UNRWA still could not fund all the infrastructure improvements that were needed and for which additional funds were required.

11. Five years of austerity measures had taken their toll. UNRWA could no longer maintain the level of the services that refugees received from it in the early 1990s. The Agency's expenditure per refugee had declined by a quarter since that time. It was sad to see the Agency's proud achievements in primary health services, vocational training and higher education being undermined and eroded.

12. Over the past five years, the Agency's budget, which was financed through voluntary contributions, had not been fully funded, forcing the Agency to freeze or cut expenditures. By August 1997, the deficit had reached some $70 million, including $20 million which, if not covered, would lead the Agency into bankruptcy in 1997. In the light of that situation, he had been forced to announce internal measures that would reduce the shortfall by a third, or about $7 million. Those measures had included a 15 per cent reduction in international staff posts; a freeze in the recruitment of additional teachers needed to cope with the intake of thousands of new students; the introduction of school fees for the first time in the Agency's history; a freeze on hospitalization subsidies in November and December 1997; and an end to the granting of scholarships from the General Fund.

13. The Committee was aware of the outcry that his announcement had provoked. There had been sit-ins, rallies and demonstrations, strikes and blockades. Discussions had been held with the host Governments, the Palestinian Authority and the Palestine Liberation Organization. Official démarches had been made and, in September 1997, a number of donors had pledged additional contributions, which for the General Fund had totalled about $20 million. That had made it possible to revoke some measures that had provoked the loudest outcry, namely, the school fees and the freeze on hospitalization subsidies.

14. However, the new fiscal and calendar year was only a few weeks away. The Agency's biennial budget for 1998-1999 was contained in the addendum to his annual report (A/52/13/Add.1). The budget covered the minimum of the Agency's needs, and there was no automatic annual 5 per cent increase in budget needs as there had been in the past. The pledging conference for UNRWA would be held on 2 December 1997. He hoped that the 1998 budget would be fully funded and that UNRWA could begin to roll back those austerity measures that affected the level and quality of its services. Those austerity measures had been short-term measures that had involved cutbacks in certain activities, which would increase costs in the future. He appealed to Member States to find a more permanent solution to the Agency's financial difficulties, beginning with the financing of its budget, which, he hoped, would be approved.

15. In addition to its austerity measures, UNRWA had sought to increase its income through private-sector fund-raising. In early 1997, he had focused attention on the Gulf States and South-East Asian States in order to encourage increased contributions to UNRWA and to find new donors. He hoped to build long-term relationships that would lead to a broader funding base for the Agency's General Fund. Until that time, the Agency's traditional donors, particularly Norway and Sweden, would remain the major source of funding for its programmes. A partnership approach was needed, in which all the partners involved in the care of Palestine refugees — UNRWA, the donors and the host countries — jointly dealt with the problem and adopted a common approach.

16. Prioritization — which was so often talked about — was something that was easier said than done. The difficult question of deciding what should take priority — health over education, primary education over preparatory schooling, or shelter rehabilitation over hospital treatment — must be solved not by the Commissioner-General alone but by the three partners working together.

17. Over the past year, UNRWA had sought to economize through management reform and streamlining. The Agency was trying to achieve a small, highly focused headquarters to provide strategy and direction; maximum delegation of operational authority to the field; develop an open, transparent and collegial management culture; encourage change managers to adapt to new imperatives rather than cling to the status quo; and enhance of the Agency's effectiveness, while keeping overhead costs to a minimum.

18. Refugees were fully convinced that the financial crisis was a political conspiracy on the part of the international community to do away with UNRWA and thus do away with the refugee problem. That was a political fact that should not be forgotten. Everyone who was interested in the peace process and in having the refugees see that there was a future for them should bear that in mind when they considered the viability of UNRWA.

19. While he was convinced that the peace process would ultimately move forward, he was very concerned about the Agency's untenable financial situation. UNRWA was being asked to do more with less, fulfil its statutory obligations with financial resources that were voluntary and plan strategies when the only surety it had was the current mandate, which would expire in mid-1999. The Agency must equip itself to face one of the most demanding phases of its existence, and to that end it must work together with its partners.

20. In conclusion, he expressed his appreciation to those whose assistance enabled UNRWA to serve the Palestine refugees: the host Governments, the Palestinian Authority and the Palestine Liberation Organization, the donors, organizations of the United Nations system and non-governmental organizations, the refugee communities and the Agency staff.

21. **Mr. Aass** (Norway), speaking as Rapporteur of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, said that at the beginning of 1997 the financial situation of UNRWA had been characterized by not only depleted capital and cash reserves but also cumulative deficits in extrabudgetary activities. At that time, it had been projected that there would be a shortfall of about $40 million in the regular budget by the end of the year.

22. The Commissioner-General had therefore introduced another round of austerity measures amounting to some $18.7 million a year. Those measures included eliminating the provision for salary increases, freezing certain vacancies and significantly reducing allocations for temporary labour, vehicles, equipment and supplies, training, maintenance, hospitalization and travel.

23. For 1997, the cash portion of the Agency's General Fund budget approved by the General Assembly had been $312 million. In June, it had been forecast that cash income in 1997 would be about $235 million. There was therefore a cash shortfall in the Agency's budget of some $77 million. To confront that situation, the Commissioner-General had ordered the continuation of the austerity measures introduced in previous years and also a number of additional administrative cost-cutting measures, including an immediate freeze on the recruitment of 250 new teachers. In response to protests and urgent pleas to the international community, major donors had pledged more than $20 million in additional funding for the Agency's regular programmes in 1997.

24. Over the past five years the amounts spent by UNRWA per refugee — for education services, health care and relief and social programmes — had been declining annually, while the 1998-1999 biennial budget of UNRWA presented to the General Assembly at its fifty-second session proposed the same budget level as in the previous biennial budget for 1996-1997, despite the increase in the number of Palestine refugees. The cash budget for 1998-1999 amounted to some $636.2 million. If UNRWA received the same amount from donors in 1998 as in 1997, it would still face a deficit of about $54 million in 1998.

25. In the light of the seriousness of the situation, the Working Group stressed the responsibility of the international community to strive to ensure the maintenance of UNRWA services at acceptable levels. It strongly urged Governments to bear in mind the considerations mentioned when deciding upon the level of their contributions to the UNRWA budget for 1998 and once again urged those Governments which had not yet contributed to UNRWA to start to do so; Governments which had so far made only relatively small contributions to increase their contributions; Governments which in the past had made generous contributions to UNRWA to continue to do so and strive to increase them; and Governments which had traditionally shown special interest in the welfare of the Palestine refugees to begin contributing or to increase their contributions; and urged Governments to consider making special contributions sufficient to address funding shortfalls so that UNRWA services could continue uninterrupted and the Agency could restore activities which had been cut as a result of the austerity measures.

26. **Mr. Al-Kidwa** (Observer for Palestine) said that over the decades since its establishment, UNRWA had played a crucial and historic role in preventing the worsening of the human catastrophe of the Palestine refugees and had helped greatly in providing the necessary relief, health care, education and social services for two, and in many cases more, generations of Palestine refugees. UNRWA continued to administer essential services and programmes.

27. He stressed that the work of UNRWA must continue in all fields of operation until a definitive solution was found to the refugee problem and the relevant United Nations resolutions were implemented. There was no doubt that the regrettable reduction in services undertaken by the Agency in the past year, due to the serious financial crisis, had had a negative impact. His delegation was opposed to any decrease in the services provided by UNRWA, for humanitarian reasons and also because of the negative signal which would be conveyed to the Palestine refugees. The Agency should not be forced to operate on the basis of availability of funds; services and programmes must meet the prevailing needs.

28. The grave deterioration of the peace process had resulted in a worsening in the daily life of the Palestine refugees in the occupied Palestinian territory, including Jerusalem. The refugees continued to face severe socio-economic hardships, including rampant unemployment and deplorable living conditions.

29. The transfer of UNRWA headquarters to Gaza had afforded many benefits, although, unfortunately, the operations of the Agency in the occupied Palestinian territory continued to be obstructed by measures imposed by the Israeli authorities such as border closures, which restricted the movement of UNRWA staff and vehicles and affected the provision of services to the Palestine refugees. Clearly the Agency must be allowed to carry out its mandate without such constraints and problems.

30. It remained extremely important for UNRWA to be able to continue its programmes and services in all fields of operation, namely Jordan, Lebanon and the Syrian Arab Republic. Furthermore, there was a practical humanitarian need to pay more attention to the Palestine refugees in Lebanon, given the sharp decline in their living conditions.

31. **Mr. Abu-Nimah** (Jordan) said that the problem of the Palestine refugees was one of the main causes of the Palestinian-Israeli conflict and must be resolved within the framework of the search for a just and lasting peace in the Middle East on the basis of the relevant resolutions of the United Nations.

32. The report of the Commissioner-General of UNRWA (A/52/13) reflected the critical situation in respect of the provision of assistance and the continuing budget deficit, amounting to about $20 million. The austerity measures taken in that connection underlined the political and humanitarian nature of the problem, especially in the light of the difficulties that stood in the way of the peace process. At the same time, those measures demonstrated the great significance which the international community attached to ensuring that the refugees lived in dignified and normal conditions until there was a comprehensive settlement of their problems.

33. Jordan, in which the largest number of Palestine refugees lived, was affected more than other countries by the tragedy of the Palestine people, which had lasted since 1948; it was continuing to provide many types of services to them. During the period from 1 July 1996 to 30 June 1997, his Government had allocated $35 million to cover part of the costs associated with the provision of services to the Palestinians, mainly in such spheres as education, health care, relief and social services.

34. His Government had drawn up a strategic plan which envisaged the establishment of a social welfare network services to improve the infrastructure of the refugee camps. An amount of $240 million was to be allocated to improve the systems of water supply, waste disposal and health care, and also to implement projects in the areas of electrification, road construction, etc.

35. Jordan called on the international community to assist the Agency so that it could continue to provide services and enhance their effectiveness in order to meet at least the minimal needs of the Palestinian people.

36. UNRWA had become the main source of assistance in alleviating the sufferings of the Palestine refugees. In view of the financial problems that were being experienced by the Agency, financial resources were essential in order to continue the provision of services to the refugees so that they could live in dignified conditions. The problems of financing and the adoption of austerity measures had led to a 29 per cent decline in expenditure per refugee.

37. His delegation stressed the importance of implementing the peace plan, the goal of which was to ensure that the results of the peace process were translated to the local level. That plan was a programme for the development of infrastructure and creation of jobs, and also the improvement of the socio-economic situation of refugees in all spheres of activity of UNRWA.

38. In that connection, Jordan stressed that contributions for special programmes must not be made to the detriment of regular budget resources. Special efforts must be made to preserve the scale of activity of UNRWA.

39. Jordan shared the Commissioner-General's concern about the difficulties encountered by UNRWA in Gaza and the West Bank because of the restrictions and border closures imposed by the Israeli authorities. Those difficulties would have an adverse effect on the economy and on the population, and Jordan therefore requested the competent authorities to reduce and, ultimately, remove those restrictions.

40. *Mr. Dumitriu (Romania), Vice-Chairman, took the Chair.*

41. **Mr. Al-Otaibi** (Kuwait) said that despite all the difficulties UNRWA was continuing to play an extremely important role in providing assistance to Palestinian refugees, and the volume of that assistance should be maintained at the present level. In that connection special note should be taken of the resolution of the League of Arab States adopted in September 1997, which referred *inter alia* to the international responsibility for resolving the problem of the Palestinian refugees and the need to continue the activity of UNRWA and all five main areas without detriment to any of them.

42. Kuwait was convinced of the justice of the Palestinian cause, and continued to provide economic assistance to Palestinian refugees through international financing institutions in the amount of US$ 1.5 million a year. The situation in the region was complicated by the practice followed by Israel in the occupied territories under the pretext of ensuring national security and combating terrorism. That could not justify constant closure of borders, confiscation of land and the policy of establishing settlements, and was aimed at obtaining concessions from the Palestinian side in the context of the peace process. Kuwait declared its solidarity with the Palestinian people,

and supported its efforts to ensure its lawful rights in accordance with United Nations resolutions. It also declared its solidarity with the position of the Arab countries in relation to the establishment of a just and lasting peace in the Middle East.

43. **Mr. Mansour** (Lebanon) said that Lebanon acknowledged the important role of UNRWA and the assistance it was providing to Palestinian refugees in the area of education and health, and emphasized the need to continue activity in such countries as Lebanon, in the territory of which 359,000 Palestinian refugees were currently located. Given that fact, Lebanon wished to note a number of points which gave it cause for concern.

44. The reduction in the scale of activity entailed various socio-economic consequences, and had an impact on security and stability in the region. Accordingly, Lebanon, which despite its extremely limited capabilities had accepted a large group of refugees in its territory, considered it impermissible to perpetuate the difficult financial situation in which UNRWA currently found itself. It therefore welcomed the efforts of the Commissioner-General to contact various donor countries for the purpose of attracting additional resources and overcoming the Agency's difficult economic situation.

45. It was unfair to maintain a distinction between donor countries and host countries such as Lebanon, in that Lebanon had been bearing the burden of the Palestinian tragedy since 1948, and provided Palestinian refugees with the most varied types of assistance, including such services as electricity and water supply.

46. The financing of various activities of the Agency from the regular budget was leading to a deterioration in its financial situation and a reduction in the volume of services provided. Extrabudgetary resources should therefore be used to finance them. In Lebanon's view, the international community needed to increase the volume of assistance to the Palestinian refugees in Lebanon, who amounted to 10 per cent of all the Palestinian refugees located in the Gaza Strip, Jordan and Syria.

47. His delegation considered it necessary to provide explanations of the assertions regarding restrictions on the movement of Palestinian refugees between Lebanon and other countries. The rules applied by the Lebanese authorities to Palestinian refugees returning to Lebanon from abroad did not restrict their freedom of movement, and the Palestinians had no grounds for fear. According to official statistics, the movement of Palestinians across the Lebanese border had increased in recent years, and the number of applications rejected was extremely low.

48. His delegation expressed the hope that UNRWA would make it possible for representatives of donor countries to visit the refugee camps, so as to obtain a clear idea of the refugees' needs.

49. The fate of more than three million refugees depended on the activity of UNRWA. Donor countries should assist Lebanon in carrying out the work referred to in General Assembly decisions and resolutions.

50. Lebanon again declared that the presence of Palestinian refugees on its territory was a temporary phenomenon resulting from problems which had their roots in the events of 1948.

51. **Ms. Backes** (Luxembourg), speaking on behalf of the European Union and the associate countries Bulgaria, Cyprus, Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, said that the role of UNRWA in the Middle East was not confined to meeting the basic needs of the Palestinian refugees; through its activities, it also contributed to the Middle East peace process and to stability in the region.

52. At the same time, the Agency had to work in a situation of tension and mistrust, with the Israeli authorities introducing restrictions that seriously impeded the implementation of the Agency's programmes and projects. In that connection the persistent efforts of UNRWA personnel, who regardless of the difficulties had over the years striven to maintain minimal services for the Palestinian refugees, were worthy of commendation. Furthermore, Luxembourg expressed gratitude to the Commissioner-General of UNRWA for his report on the work of the Agency.

53. In his report, the Commissioner-General drew the special attention of the international community to the serious financial situation of the Agency, which imposed on it the need to apply a number of economy measures.

54. The European Union was the largest donor to UNRWA — in 1996, it had provided 45.6 per cent of the total volume of contributions. On 13 October 1997, the European Commission had signed with UNRWA a memorandum of understanding regarding the construction with European Union resources of a hospital in the Khan Younis region.

55. The European Union expressed the hope that in 1997 sufficient contributions would be announced to meet all the needs provided for in the budget for 1998, and urged all other States, especially the rich States of the region, to increase the size of their contributions in the light of the Agency's growing needs.

56. In connection with the approaching fiftieth anniversary of UNRWA, it should be recalled that it had been established to provide temporary assistance, and not in order for its activity to serve as a substitute for a political solution to the problem of the refugees which it was to be hoped would be found in the context of a just and lasting settlement. In that connection, the European Union noted with satisfaction the strengthening of relations between UNRWA and the Palestinian Authority, which would in particular facilitate the coordination of their activities in various fields.

57. In the light of the fragility of the Middle East peace process, there was no doubt that without the efforts of UNRWA the Palestinian refugees would be living in conditions of still greater poverty and political hopelessness.

58. The financial situation of the Agency was becoming more disturbing with every year that passed, and in that connection the European Union called on the international community to provide maximum political and financial support to the Agency and to give it sufficient resources to enable it to carry out its tasks until a just, lasting and comprehensive solution had been found to the political problems which had led to the appearance of Palestinian refugees in the Middle East.

59. **Mr. El-Araby** (Egypt) said that the Middle East peace process, particularly with respect to Palestine, had to date proceeded unevenly, but as a whole had been characterized by positive results and gave every Arab grounds for hoping that the question of Palestine, and in particular the question of the refugees, would finally be resolved. However, those hopes might prove vain, in that Israel had actively pursued a policy which had led to an escalation of tension and violence in the region and had deprived the Palestinian refugees of hope for the return of their homes and their property.

60. All proponents of a peaceful settlement in the Middle East were aware of the importance of the services rendered by UNRWA to the Palestinian people in all fields. The need for those services was growing still further in the current transition period. His delegation was concerned at the unstable financial situation of the Agency which the Commissioner-General had more than once referred to in his report, because it negatively affected the provision of services to the refugees. An end must be put to that instability. The problem was that the attainment of peace was a matter for the extremely remote future; final negotiations had still not begun, and the Palestinian people was suffering twofold, bearing on its shoulders the burden of responsibility of self-government and feeling the consequences of the hostile policy of the Israeli authorities. The international community, and especially the major donors, must not leave the Palestinian people to the whim of fate in that extremely complex socio-economic and political situation.

61. The Palestinian refugees needed as never before the support of the international community in the area of education and health, and in other areas. Egypt was doing everything possible to that end, and called on other Member States to provide the Palestinians with the necessary resources not only in the form of voluntary contributions through bilateral channels, but also through international organizations dealing with Palestinian issues, especially UNRWA, which had valuable experience in that area.

62. Satisfying the needs of the Palestinian refugees and creating normal living conditions for them would undoubtedly have an impact on the level of their support for the peace process. The converse was also true: depriving the refugees of the services they required and marking time in the work to satisfy their needs, which was happening in practice not because of the Agency's passiveness but because of shortage of resources, would mean that the Palestinian refugees would support the peace process less actively. In addition, the policies of closing off areas and collective punishment regularly pursued by Israel had a negative impact on the activity of the Agency.

63. Egypt fully supported the important work of the Agency in the provision of assistance to the Palestinian people, and had recently decided to double its annual contribution to the UNRWA budget. His delegation urged the States which were the main donors to continue to make their contributions and sacrifices until the Palestinian people had attained its national objectives in the socio-economic sphere.

64. **Mr. Ghany** (Malaysia) said that, as one of the oldest United Nations agencies, UNRWA had played a tremendous role in planning and executing numerous programmes of assistance to the more than 3.4 million Palestinian refugees in the West Bank and the Gaza Strip, as well as in Jordan, Lebanon and the Syrian Arab Republic. In view of the efforts made by UNRWA over 48 years to alleviate the sufferings of the Palestinian refugees by bringing about improvements in their social and economic conditions, the international community should continue to give it strong support; his delegation considered that the UNRWA presence in the region was essential until a definitive solution was found to the issue of Palestine.

65. His country had welcomed the transfer of the UNRWA headquarters from Vienna to the Gaza Strip. The move would help the Agency to identify better the needs on the ground and harmonize its programmes better with the

programmes of the Palestinian National Authority; it was to be hoped that the relocation would also result in savings in staffing and operating costs.

66. His delegation was seriously concerned about the strict measures imposed by Israel in the West Bank and the Gaza Strip, ostensibly on security grounds, which were having an adverse impact on the work of UNRWA and constituted a major obstacle to the implementation of its mandate in the occupied territory. During the period under review the Israeli authorities had enforced long closures of the West Bank and the Gaza Strip. The closures had disrupted the lives of the Palestinian people and had inhibited economic activity, exacerbating unemployment and contributing to the deterioration of social and economic conditions in the occupied territory. His delegation also deplored the continued demolition of houses and the arrests and detention of Palestinians by the Israeli authorities.

67. Another source of concern was the worsening of the Agency's financial situation and the austerity measures which it had adopted, for they would ultimately affect the quality of its services and result in an increased workload. His delegation was therefore most gratified at the continuing support given to the Agency by a number of donor countries and hoped that others would follow their example. For its part, Malaysia would continue to make its contributions to the UNRWA budget in addition to its bilateral assistance to the Palestinian people.

68. **Mr. Hizlan** (Turkey) said, with reference to the precarious financial situation of UNRWA described in detail by the Commissioner-General, that UNRWA had carefully examined all possibilities for reducing expenditures. It had already made all possible reductions in services of secondary importance, as well as cutting some of its vital services in 1997. Such reductions were bound to have a negative impact on the quality of the services, which was already being felt. Despite the natural growth of the refugee population the UNRWA budget was not increasing. If adequate funds were not made available, the objectives of its programmes would not be achieved.

69. Any further reductions in the Agency's services would mean depriving the Palestinian refugees of a minimum level of support and could have an adverse effect on regional stability. The international community must support the Agency's services for the refugees at an acceptable level. There were countries which could support the assistance programmes but were not doing so. It was to be hoped that the Commissioner-General's fund-raising efforts would quickly bear fruit. It was essential to back the political support for the Palestinian refugees with financial aid, which in turn was important for the creation of an atmosphere conducive to the peace process.

70. The Middle East peace process — the most important positive development in that fragile region in the recent past — was unfortunately under threat. Israel's settlement activities in the occupied territory, in defiance of the relevant resolutions of the Security Council and the General Assembly, and the acts of terrorism had placed the peace process under strain. The Palestinians and the Israelis must do their utmost to rebuild relations of trust.

71. As a country which had always supported the just cause of the Palestinians, Turkey was committed to helping the peace process in every possible way. It was ready to support all initiatives for a settlement based on Security Council resolutions 242 (1967) and 338 (1973).

72. **Mr. Fowler** (Canada) said that his country had a special responsibility to maintain a dialogue with the refugees: in May 1997 it had led an international mission to the Palestinian refugee camps in Lebanon. His delegation now wished to inform the Committee about the mission's findings. The residents of the camps in Lebanon had stated their suspicion that the cuts in UNRWA services were directly related to the peace process and had stressed that the assistance provided by the international community to improve their humanitarian conditions could not be a replacement for the fulfilment of their right of return. The mood of the Palestinian refugees in Lebanon was one of despair, hopelessness and increased frustration. UNRWA clearly did not have the resources, or in some cases even the mandate, to address adequately the needs of the 352,000 registered refugees in Lebanon.

73. The Palestinian refugees in Lebanon gave priority to four issues: (i) improvements in the level of education and vocational training; (ii) access to jobs; (iii) the cost of hospital services; and (iv) the poor conditions of shelter, particularly for refugees from destroyed camps. In addition to the fact that its primary education programmes were underfunded, UNRWA did not have the resources for a programme of secondary education. Opportunities for Palestinian refugees to study in universities abroad had also decreased. One particular problem was the cost of hospital care, a matter mentioned in every camp. Many of the hospital services provided for in the UNRWA programmes were only partially funded, while some services were simply not provided at all. In some cases water supply, sanitation and electricity services were not provided or provided only to a limited extent.

74. Urgent action was needed to improve the situation. On the other hand, the Government of Lebanon had informed

the mission that it had extremely serious reservations about any improvement in shelter outside the existing camps. That problem had to be addressed in a flexible manner, with all the relevant factors taken into account. Although the main focus of the mission's mandate was the humanitarian situation of the refugees, both the refugees and the Government of Lebanon had brought its attention to the seriousness of the fundamental political issues at the heart of the problem. Canada urged the parties directly concerned to resume the negotiations to resolve the refugee problem in a just manner within the framework of a comprehensive peace.

75. In fulfilment of its share of the responsibility Canada had announced a contribution of one million Canadian dollars in addition to the 10.5 million United States dollars already contributed to UNRWA in 1997. The additional sum was dedicated to shelter rehabilitation. While continuity of basic services was essential to the welfare of the refugees and to regional stability, the host authorities could not be expected to bear the burden alone. The support of the international community as embodied by UNRWA remained vital. Moreover, the burden was not shouldered equally by all the Member States which were in a position to assist. Accordingly, his country strongly supported the efforts of the Commissioner-General to secure additional voluntary contributions from new donors. The provision of effective services to the refugees required the highest standard of management, including a realistic and comprehensive planning framework which took into account the funding available. In that respect Canada welcomed the reform measures taken by the Commissioner-General.

76. **Mr. Tourgeman** (Israel) said that the quest for a solution to the problem of the Palestinian refugees and their plight would take place within the framework of the negotiations between the Israeli and Palestinian representatives on the permanent settlement of the conflict; the problem was in fact a direct outcome of the war launched in 1948 by the Arab countries and the Palestinian leaders of the time against the newly born State of Israel in defiance of General Assembly resolution 181 (II). The leaders of some Arab countries and of the Palestinians had blocked any attempt to improve the living conditions of the Palestinian refugees and were seeking to use them for their political purposes and turn them into a weapon in the war and the diplomatic campaign waged against Israel. However, the repatriation of the Palestinian refugees to Israel was not a recipe for peace but a means of perpetuating the conflict.

77. As a result of the Arab armies' aggression against Israel in 1948, a double refugee problem had been created. The number of Jews fleeing to Israel from the Arab countries had been approximately equal to the number of Arabs leaving Palestine — about 600,000 refugees on each side. The Jewish refugees from the Arab countries who had settled in Israel had no desire to be repatriated to their countries of origin. Moreover, any agreement to compensate the Palestine refugees for their property and other assets must also encompass the property left behind by the Jews who had fled the Arab countries. Since Israel and the Palestinians had agreed, in the Declaration of Principles, to leave the solution of the refugee problem for the final status negotiations between them, there was no need and no reason to discuss the political aspects of that problem within the Committee.

78. The acts of terrorism perpetrated over the past four years by such organizations as Hamas and "Islamic Jihad" were affecting the political process towards peace. In the interests of its citizens' security, his Government had been forced to take various precautionary measures, including the closure of the West Bank and Gaza territories. Those measures were aimed at protecting Israeli citizens and limiting the freedom of movement and action of terrorists, not at punishing the Palestinian people. Those who were interested in securing the well-being of the Palestinians, including the refugees, should therefore participate in the fight against Palestinian terrorism. The peace process could not co-exist with terrorism. It must be recognized by all that, for the people of Israel, the immediate problem was security, and that problem was far from being resolved.

79. There were a number of projects which might be considered with a view to improving the living conditions of Palestine refugees, including the allocation of resources for the development of small-scale enterprises, the implementation of infrastructural projects, particularly in industry, the building of medical centres for children and the improvement of the squalid housing conditions of the refugees. Israel and the Palestinians had already reached agreement on the construction of five industrial parks or zones along the Gaza Strip and the West Bank. Israel had also pledged to allocate $7 million for the building of a new terminal between Gaza and Israel which would serve the needs of the industrial zone. Israel had already transferred $10.5 million — the total amount it had committed — to the Holst fund established to extend financial assistance to the Palestinian Authority. His delegation hoped that, in its deliberations and resolutions, the Committee would concentrate on the humanitarian aspects of the problem of the Palestinian refugees and it wished to remind the Committee that the political aspects of the problem should not be addressed in that forum.

80. **Mr. Scott** (United States of America) said that his country strongly supported the important humanitarian work

carried out by UNRWA and welcomed its efforts within the context of the Peace Implementation Programme (PIP). It continued to support the efforts of UNRWA to take account of the changing needs of the Palestinians in the region despite the limited resources at its disposal.

81. His country was the largest donor to UNRWA and supported its programmes in the fields of education, health care and emergency assistance. During the current financial year, it had thus far contributed $17 million to the regular budget of UNRWA and more than $1.6 million for specific PIP projects. It welcomed the recent transfer of the UNRWA headquarters to Gaza and would continue to work in close contact with the Agency and with other donors with a view to meeting the financial needs of UNRWA.

82. Ideally, his delegation would have supported all the Committee's resolutions on UNRWA. It would, however, oppose those resolutions which might be viewed as predetermining questions which, as agreed by both sides, were to be resolved during the peace talks. It called upon all other delegations to support UNRWA in carrying out its work, without complicating the peace talks or predetermining their outcome.

83. **Archbishop Martino** (Observer for the Holy See) said that the local Catholic Church in the Palestinian autonomous areas and the occupied territories, together with UNRWA and with the support of many international donors, was assisting the people of the region, many of whom were refugees.

84. During his meeting with the members of the Executive Committee of the Palestine Liberation Organization and the Palestinian Legislative Council for Jerusalem, Pope John Paul II had said that he was filled with sadness when he thought of the fate of the Palestinian people, for they suffered injustice and violence and lived in fear of the future, while their rights too often went unrecognized or, indeed, were trampled upon. The Palestinians suffered most of all as a result of the restrictions on their freedom of movement imposed by the Israeli military authorities. Those restrictions were adversely affecting employment, freedom of worship, access to medical care and the right to education. The practice of collective punishment served only to intensify the feelings of despair and hopelessness among the Palestinians and did not improve the situation with regard to security.

85. In its statement to the Committee the previous year, his delegation had said that the expansion of Israeli settlements without negotiation with the Palestinians would simply render future efforts more difficult. If the unilateral decision of the Israeli Government the previous year had increased the tension surrounding the settlement issue, the demolition or confiscation of 120 Palestinian homes during the current year had further exacerbated the tension. For that reason, in his afore-mentioned statement Pope John Paul II had expressed the deep conviction of the Holy See that security, justice and peace went hand in hand. Unilateral decisions aimed at enhancing security did not in fact lead to peace, but created a vicious circle of action and reaction ending in uncontrollable violence. As a result, a greater burden was placed on the work of UNRWA and charitable church agencies.

86. His delegation called upon the parties to bring a new impetus to the peace process and to condemn all forms of terrorism and all attempts to inflict violence and put an end to them. It also appealed to the community of nations to assist the parties in re-establishing the dialogue with a view to achieving peace.

87. Referring to paragraph 11 of resolution A/ES-10/2 of 25 April 1997, he said that, in the light of the current situation, only the international guarantees referred to therein could produce an atmosphere conducive to appropriate celebration of the 2000th anniversary of Christianity. Speaking of the Holy City of Jerusalem, Pope John Paul II had expressed the hope that Judaism, Christianity and Islam might live there in agreement and develop their religious, educational and social activities in full liberty.

88. In a letter addressed to the President of the Palestinian Authority, Yasser Arafat, Pope John Paul II had called on the Palestinian and Israeli leaders to consider above all the good of their peoples and of future generations; those generations must not continue to endure the sufferings that had fallen to the lot of their two peoples. In conclusion, he called on the community of nations to work to secure peace in Jerusalem and peace between the Israelis and Palestinians.

89. **Mr. Hassouna** (Observer for the League of Arab States) noted that in his report the Commissioner-General had dwelt on the various difficulties that had led to a reduction in the efficiency of the work of the Agency, and on the adverse effect of Israel's obstinacy on the peace process.

90. His delegation was firmly convinced that the international community had a responsibility under United Nations resolutions and decisions to solve the problems of the Palestinian people. That responsibility was one of the pillars of the peace process structure, which was based on the agreements signed by Israel and the Palestine Liberation Organization. However, Israel's attitude towards the peace process and towards its obligations had become a serious

threat to that process and all its components. Israel's continuing Judaization of Jerusalem and its establishment of settlements in the occupied territories, together with its failure to comply with its agreed obligations, had brought the peace process to a standstill. That problem was dealt with in paragraph 24 of the Commissioner-General's report, which also referred to the feeling of frustration and despair among the Palestine refugees. Paragraph 99 described the obstacles imposed by the Israeli authorities on the freedom of movement of the Agency's staff, while paragraph 100 discussed Israel's closure of the West Bank and Gaza Strip.

91. His delegation noted that, in the light of the budgetary problems it faced, the Agency had taken harsh economy measures which had affected its programmes in the areas of education, health and emergency relief. It expressed its profound concern at the effects of the economy measures on the level of services provided to the refugees. At the donors' meeting held in Amman in September 1997, speakers had pointed out that the problem was not just a humanitarian one, but was also political. It was heartening to note that, thanks to a few donor countries, US$ 20 million had been collected to pay off the budget deficit. At the September meeting, the opinion had been expressed that there was a need to ensure that the international community fulfilled its obligations towards the Palestine refugees.

92. The League was firmly convinced that the Agency's role and its humanitarian mission were of extreme importance. In his report, the Commissioner-General had singled out the League and its Secretary-General for commendation on its role and its support for the Agency. The problem of the Palestine refugees had been and was being discussed at ministerial meetings of the League. At the latest meeting, in September 1997, the League had once again stressed the need for the mandate entrusted to the Conciliation Commission established by the General Assembly under its resolution 194 (III) to be implemented. The United Nations had reminded Israel that it had an unambiguous obligation to implement that resolution. The League of Arab States took a very serious view of the fact that in its policy Israel was refusing to fulfil its obligations.

93. He expressed his complete agreement with the Commissioner-General's observations, in his report, on the cuts in the Agency's services and the adverse effects they were having on the Palestine refugees. Everything possible must be done to strengthen the Agency's role and its contribution to social stability in the region.

94. **Mr. Paroz** (Observer for Switzerland) said that there was a note of concern in the current year's discussions about UNRWA. His delegation wished to add its voice to those demanding a speedy resumption of the talks, as there was no sensible alternative.

95. At a time when living conditions for the Palestinians were deteriorating further, it was extremely important for the Agency to have the ability to fulfil its mandate, despite the tense political situation and the Agency's financial difficulties. His delegation wished to emphasize its full support for the Agency, and to express its gratitude to it, for its work on behalf of the refugees, as well as its appreciation to the countries that had taken in refugees.

96. Thanks to the additional contributions announced at the special meeting held in Amman in September 1997, it had been possible to avoid some of the harshest austerity measures that would have provoked understandable emotion among the Palestine refugees. However, the Agency, the host countries and the donor countries must together find the means of responding better to both the immediate and the long-term needs of the Palestine refugees. In that regard, his delegation had not found 1997 completely satisfactory.

97. In the opinion of the Swiss Government, the Agency's difficulties were not only financial. The medium- and long-term problems facing UNRWA were more serious. The resources received from the traditional donor countries were not only not increasing, but were becoming scarcer and scarcer. His delegation hoped that the Agency would give priority to carrying out the necessary reforms.

98. There were opportunities for improvement in terms both of administration and of the services provided. In his delegation's opinion, the Agency must deal with the issues of planning, budgeting, management, oversight and monitoring, and in so doing aim to improve the cost effectiveness and efficiency of its activities. The dialogue on that subject between the Agency, the host countries and the donor countries should be intensified. For its part, Switzerland was prepared to cooperate with the Agency throughout the reform process.

99. The international community had very definite obligations towards the Palestine refugees, as it did towards any population in difficult circumstances. However, that did not reduce the obligations of UNRWA itself. The Agency should therefore be provided with the necessary means for it to continue its mission in the years to come. The Swiss Government intended to continue to treat its long-standing partnership with the Agency as a priority in its humanitarian activities in the Middle East.

100. **Mr. Al-Kidwa** (Observer for Palestine), speaking in exercise of the right of reply, said that by force and repression Israel had driven hundreds of thousands of

Palestinians from their ancestral homes. Unfortunately, the representative of Israel was trying to justify that crime instead of apologizing to the Palestinian people for it. There could be no lasting solution to the conflict without Israel recognizing its historic responsibility for the Palestinian tragedy including the creation of one of the biggest refugee problems in modern times. Implementation of resolution 194 (III) of 11 December 1948 was not a matter of choice. Israel had been accepted as a State Member of the United Nations on the condition that it implemented that resolution, along with resolution 181 (II) of 29 November 1947.

101. The agreements concluded between the two parties under the peace process did not alter or replace the relevant General Assembly resolutions. Israel, however, was concerned not with implementing those agreements, but with creating new conditions in the territories to circumvent them, undermining the provisions of international law. Israel had referred to individual points in the agreements which had been concluded that were in fact in place. However, three years had elapsed since those agreements had been concluded and not one Palestine refugee had returned to his homeland. Those facts were more telling than all the rhetoric that had been used.

102. On the whole, the attitude Israel had shown represented a step backwards, back to the situation that had long obtained prior to the peace agreements when Israel spoke of the Palestinian people as if they were its subjects, adding insult to injury by suggesting that the Palestinian issue would be resolved by optimistic statements. The repetition of such ridiculous assertions would in no way assist the United Nations in its work towards improving the political situation.

103. **Mr. Tourgeman** (Israel), speaking in exercise of the right of reply, said that the Observer for the League of Arab States had been in error when he had said that the previous Government of Israel had recognized the right of the Palestine refugees to return. There had been no such recognition, nor would there be. Israel's Arab neighbours should adopt a more practical position and work on resettling the refugees in those countries.

104. With regard to the statement by the Observer for Palestine, he said that he had given a distorted interpretation of the roots of the refugee problem. In the memoirs of the Syrian Prime Minister during the period 1948-1949, which had been published in Beirut in 1975, it was recognized that since 1948 the Arab States had been demanding that the refugees should return, whereas it had been those very States which had incited them to leave their homes. Moreover, in an interview published on 6 September 1948 in the Beirut *Daily Telegraph*, the then Secretary of the High Arab Committee for Palestine had stated that the presence of the refugees was a direct consequence of the actions of the Arab States, which had unanimously chosen that path and must participate in solving the problems that had been created.

105. **Mr. Al-Kidwa** (Observer for Palestine), speaking in exercise of the right of reply, expressed extreme regret about such statements by Israel.

The meeting rose at 1 p.m.